

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE AND CLAIMS

Call to Order: By **CHAIRMAN CHUCK SWYSGOOD**, on March 25, 1999 at 8:00 A.M., in Room 312-2 Capitol.

ROLL CALL

Members Present:

Sen. Chuck Swysgood, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. Tom A. Beck (R)
Sen. Chris Christiaens (D)
Sen. William Crismore (R)
Sen. Eve Franklin (D)
Sen. Greg Jergeson (D)
Sen. Bob Keenan (R)
Sen. J.D. Lynch (D)
Sen. Dale Mahlum (R)
Sen. Ken Mesaros (R)
Sen. Ken Miller (R)
Sen. Arnie Mohl (R)
Sen. Linda Nelson (D)
Sen. Debbie Shea (D)
Sen. Mike Taylor (R)
Sen. Daryl Toews (R)
Sen. Mignon Waterman (D)

Members Excused: None.

Members Absent: None.

Staff Present: Shannon Gleason, Committee Secretary
Clayton Schenck, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: HB 2, 3/28/1999
Executive Action: HB 2 Sections D, E, and
Boilerplate

HEARING ON SECTION D

Motion/Vote: SEN. LYNCH moved SECTION D BE OPENED. Motion carried unanimously.

REP. STEVE VICK, HD 31, BELGRADE, CHAIRMAN of the Joint Subcommittee on Corrections and Public Safety, read page D-1.

REP. VICK advised the committee the **Crime Control Division** budget was approved as submitted.

REP. VICK read pages D-5 and D-6, the overview of the **Department of Justice** executive budget comparison.

REP. VICK read page D-29, **Public Service Regulation** executive budget comparison, and noted the budget change was very minimal.

REP. VICK read D-31 and D-32 the **Department of Corrections** executive budget comparison. REP. VICK noted there were amendments on the House floor that reduced the budget another \$750,000.00 and \$1,300,000.00.

SEN. FRANKLIN questioned the reduction in youth placement services. REP. VICK stated there was a significant increase requested and the subcommittee only approved 1/3 of the request. Next year the expansion at Pine Hills will be open and that will allow a larger placement.

REP. VICK read D-67, **Labor and Industry** executive budget comparison. The reduction of General Funds was not a reduction to programs. The money was taken from State Special Revenue.

REP. VICK explained the Workers Compensation changes.

REP. VICK read page D-86, **Department of Military Affairs** executive budget comparison. REP. VICK advised the subcommittee opted to not backfill lost Federal funds for programs.

SEN. FRANKLIN asked REP. VICK to explain the subcommittees thoughts on not backfilling the Federal cuts. REP. VICK advised the subcommittee felt if the Federal Government was not supporting the program the state should not either.

REP. VICK advised the department had lowered the armory budget themselves, because of the reduction in the number of armories.

SEN. BECK asked if the scholarship program was cut on the floor.

REP. VICK advised it was a new program and the full Appropriations Committee did not fund it.

COMMENTS FROM THE DEPARTMENT DIRECTORS:

Gene Kaiser, Crime Control Division, advised the committee he was available for questions.

Larry Fastbender, Department of Justice, was concerned with the reduction of the three FTE's in Legal Services. **Mr. Fastbender** advised if the FTE's were not approved the appeals would continue to slow and that was a problem. **Mr. Fastbender** passed out **EXHIBIT (fcs67a01)**. **Mr. Fastbender** asked the committee to reconsider funding the technologies appropriation. The computers at the Department of Motor Vehicles were at their maximum operating efficiency and need to be upgraded.

Wayne Budt, Public Service Commission, thanked the subcommittee for their work, and advised he would be available for questions.
{Tape : 1; Side : A; Approx. Time Counter : 8:20}

Rick Day, Department of Corrections, was concerned with the conception their budget was prepared using over projected growth. **Mr. Day** explained the male population was not at projection, however the female population is already over projection. **Mr. Day** advised the projections were based on an average, and he believed they were as true as can be projected. **Mr. Day** stated the proposed bed cost was under projected, and there is no room to cut the budget. Juvenile placement funds have been cut below the base, and needed to be restored. Prison staff has increased over the last few years, however in 1993 deep cuts were made. The FTE's being replaced still leave the prison understaffed. **Mr. Day** felt the department was being penalized for good management and did not encourage the department to continue. **Mr. Day** was concerned that the department would not be able to keep it's private and public contract commitments.

Pat Haffey, Department of Labor, was concerned with the 12% travel reduction. **CHAIRMAN SWYSGOOD** advised **Ms. Haffey** the travel had been restored.

General Prendergast, Department of Military Affairs, was concerned with the reduction of Disaster and Emergency Services funds. All emergencies within the state are handled by this department.

SEN. BECK asked if the Federal Emergency Management Act (**FEMA**) money was reduced. **General Prendergast** advised they were the Federal funds cut. **SEN. BECK** wanted to know how **FEMA** was handling flood recovery. **General Prendergast** advised on an emergency basis only.

SEN. WATERMAN questioned the Federal reduction. **General Prendergast** advised Congress reduced **FEMA's** budget so the states would have to backfill.

PUBLIC COMMENTS:

Cynthia Mullaney, Disaster and Emergency Coordinator from Pondera County, was concerned with the reduced **FEMA** funding. **Ms. Mullaney** advised if the money was not replaced rural counties would not be able to respond to disasters efficiently.

Bill Kennedy, Yellowstone County, rose in support of reinstating the funds reduced by **FEMA**. **Mr. Kennedy** explained how Yellowstone County had been helped in the past.

Sheila Hogan, Montana Displaced Homemaker Network, rose in support of an amendment by **SEN. CHRISTIAENS** restoring a raise in the program. **Ms. Hogan** passed out **EXHIBIT(fcs67a02)**.

Sue Moore, Montana Job Training Partnership Incorporated, rose in support of the funds being restored to the Displaced Homemaker Program. **Ms. Moore** advised the cut was based on the assumption the program did not need additional money because they did not spend last years appropriation. **Ms. Moore** advised the money would be needed to match Federal funds and she felt the program was being penalized for careful planning. {Tape : 1; Side : A; Approx. Time Counter : 8:41}

Paul Spengler, Lewis and Clark County Disaster Coordinator, explained Lewis and Clark County has had to use **FEMA** funds in the past. Without the funds repairs to bridges and other infrastructure would not have been completed. **Mr. Spengler** advised the Disaster and Emergency Services won an award for their response in 1996.

EXECUTIVE ACTION ON AMENDMENTS TO SECTION D

Motion: **SEN. MOHL** moved that **AMENDMENT HB000240.asc EXHIBIT(fcs67a03)** BE ADOPTED.

Discussion:

REP. VICK advised the subcommittee funded two FTE, and stated the Department of Justice requested the money go towards rent in Missoula.

Vote: Motion **carried 15-3 with Keenan, Miller, and Taylor voting no.**

Motion: **SEN. CHRISTIAENS** moved that **AMENDMENT HB000251.ASC EXHIBIT(fcs67a04)** BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD stated this money was above the subcommittee appropriation.

SEN. FRANKLIN asked if this was funding for Montana State Prison. **Mr. Day** advised it was.

SEN. FRANKLIN asked what Montana State Hospital had done to reduce the cost of health care. **Mr. Day** advised the entire system has implemented steps similar to Cascade County. *{Tape : 1; Side : B; Approx. Time Counter :8:50}*

SEN. WATERMAN wanted to know if the outside services were for accidents or long term care. **Mr. Day** advised both.

SEN. WATERMAN asked if there was some way to qualify these people for Medicaid. **Mr. Day** advised inmates sent to prison were not Medicaid eligible. **Mr. Day** advised some patients were being released on medical parole, and those patients would be Medicaid eligible.

SEN. LYNCH asked if the **DR. X** building would resolve some of these issues. **Mr. Day** advised that was an option, however that was not finalized at this time.

SEN. WATERMAN asked if the **Dr. X** building would be 100% General Funds. **Mr. Day** advised inmates that could be paroled were, and that building would be funded by General Funds.

SEN. FRANKLIN asked what the last biennium overruns were. **Mr. Day** advised there was a \$3,000,000.00 supplemental, however the largest majority of that was juvenile placement. **SEN. FRANKLIN** questioned the need for the additional funds. **Mr. Day** advised it was in response to the population increase.

REP. VICK advised the subcommittee did not agree with the numbers provided. The outside medical costs have been increased in the base budget.

Vote: Motion failed 4-14 with Christiaens, Jergeson, Lynch, and Shea voting aye.

Motion: SEN. CHRISTIAENS moved that **AMENDMENT HB000252.ASC EXHIBIT (fcs67a05)** BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD asked **Skip Culver**, Legislative Services, if this amendment allowed \$50,000.00 for Montana Children's Trust and reverted the remaining money to the General Fund. **Mr. Culver** advised that was correct.

SEN. LYNCH rose in opposition to the amendment, and stated the program started in 1985. This program is used to educate and prevent child abuse.

SEN. NELSON asked someone to explain the Children's Trusts. **SEN. CHRISTIAENS** stated the money source was changed in the House, and there were other sources of funding for the program. **SEN. LYNCH** explained the programs, and commented there was not enough money to cover the existing program. *{Tape : 1; Side : B; Approx. Time Counter : 9:00}*

SEN. NELSON asked if the program was a success in her area.

SEN. LYNCH advised it was.

REP. VICK advised the amendment was done on the House floor, and the subcommittee did increase the programs base budget.

SEN. KEATING asked where the money was listed. **SEN. CHRISTIAENS** advised this money was all new. The amendment was to allow \$50,000.00 new money for the program. **SEN. KEATING** stated if the program has been around since 1985 someone was funding it. **Clayton Schenck**, Legislative Fiscal Analyst, thought it was \$175,000.00 and included in the university budget. **Sara Lipscomb**, Children's Trust Fund, explained the budget was \$178,000.00, and came from divorce filings, private donations, and Federal match.

SEN. WATERMAN felt this was a good investment and it should be left alone.

SEN. FRANKLIN wanted the amendment divided. One part would contain numbers one and two, the other part would be the rest of the amendment.

SEN. LYNCH advised there was no staff for this program and if a report had to be developed someone would have to be hired.

SEN. FRANKLIN withdrew her request for a separate amendment.

SEN. BECK asked how the \$100,000.00 was being appropriated. **CHAIRMAN SWYSGOOD** advised it was a line item.

Vote: Motion carried 13-5 with Waterman, Franklin, Jergeson, Lynch, and Shea voting no.

Motion: **SEN. MOHL** moved that **AMENDMENT HB000241.ASC EXHIBIT (fcs67a06)** BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD asked **Mr. Culver** if the figures were correct after the last amendment. **Mr. Culver** advised the two were independent.

REP. VICK supported the amendment

Vote: Motion carried 15-3 with Waterman, Shea, and Jergeson voting no.

Motion: **SEN. SHEA** moved that **AMENDMENT HB000248.ASC EXHIBIT (fcs67a07)** BE ADOPTED.

Discussion:

REP. VICK advised prior to the amendment, 13 FTE's have been added in 2000, and 15 in 2001 to the Parole and Probation staff.

Vote: Motion failed 6-12 with Waterman, Beck, Shea, Franklin, Lynch, and Jergeson voting aye.

Motion: **SEN. MOHL** moved that **AMENDMENT HB000239.ASC EXHIBIT (fcs67a08)** BE ADOPTED.

Discussion:

REP. VICK agreed.

SEN. CHRISTIAENS wanted to know if the language allowed the department to use the money over the biennium, and was restricted to adult beds. **REP. VICK** stated yes. **SEN. LYNCH** felt he had an similar amendment. **SEN. BECK** thought the committee had reduced the budget, in addition to the floor reductions. The amendment restored the reductions made on the floor.

Vote: Motion carried 16-2 with Waterman and Jergeson voting no.

Motion: **SEN. BECK** moved that **AMENDMENT HB000243.ASC EXHIBIT(fcs67a09)** BE ADOPTED.

Discussion:

REP. VICK agreed with the amendment.

SEN. MOHL supported the amendment.

SEN. MAHLUM advised the department was purchasing supplies in Kansas City instead of Montana.

Vote: Motion carried 17-1 with Keating voting no.
{Tape : 1; Side : B; Approx. Time Counter :9:17}

Motion: **SEN. CHRISTIAENS** moved that **AMENDMENT HB000218.ALT EXHIBIT(fcs67a10)** BE ADOPTED.

Discussion:

SEN. LYNCH supported the motion.

REP. VICK stated there was \$218,000.00 in the base.

Vote: Motion carried unanimously.

Motion: **SEN. MAHLUM** moved that **AMENDMENT HB000251.APJ EXHIBIT(fcs67a11)** BE ADOPTED.

Discussion:

SEN. WATERMAN reminded this was General Fund, and it was half of the requested money for Child Support.

SEN. SHEA felt this was a small amount of money for the program.

Vote: Motion carried 14-4 with Waterman, Miller, Mohl, and Taylor voting no.

Motion: SEN. CRISMORE moved that **AMENDMENT HB000248.AGD EXHIBIT(fcs67a12)** BE ADOPTED.

Discussion:

REP. VICK believed this was backfilling Federal funds, and stated the program was not eliminated, just reduced.

SEN. WATERMAN stated the Health and Human Service Subcommittee had a policy not to backfill Federal funds, and this was not fair.

SEN. BECK advised **FEMA** worked, and there was not a better benefit or program for emergencies.

Vote: Motion carried 13-5 with Waterman, Taylor, Mohl, Keenan, and Miller voting no.

Motion/Vote: SEN. LYNCH moved **SECTION D BE CLOSED**. Motion carried unanimously. {Tape : 1; Side : B; Approx. Time Counter : 9:24}

The committee took a break until 9:52. {Tape : 2; Side : A; Approx. Time Counter : 0}

HEARING ON SECTION E

Motion/Vote: SEN. MOHL moved **SECTION E BE OPENED**. Motion carried unanimously.

REP. ROYAL JOHNSON, HD 10, BILLINGS, CHAIRMAN of the Joint Subcommittee on Education referred the committee to page E-1 and read the executive budget comparison. **REP. JOHNSON** advised **SB 100** and actions by the committee gave special education \$36,000,000.00.

REP. JOHNSON advised there were not many changes to the **Office of Public Instruction's Administrative** budget. **REP. JOHNSON** reviewed page E-5, DP-8, and DP-9.

SEN. KEATING asked if the **School to Work Program** reduced hours on "core" subjects. **REP. JOHNSON** felt there were opportunities throughout the school day that reduced core subject time. **REP. JOHNSON** felt these programs were important because they covered

items students needed to know in the real world: how to find a job, balance a checkbook, and be responsible at a job.

SEN. LYNCH felt this program was similar to the Jobs for Montana Graduates. **REP. JOHNSON** advised it was similar to the program, but school to work was not an ongoing program. The School to Work Program is supported for five years, and the schools and businesses working with the program will have to figure out how to pay it.

REP. JOHNSON referred to pages E-8 and E-9, the **Distribution to Public Schools**.

SEN. KEATING asked if the \$4,000,000.00 reduction was from decreased enrollment, and if the \$10,000,000.00 was a total in 2001. **REP. JOHNSON** advised that was correct.

REP. JOHNSON explained on page E-10 and E-11, under DP 1 and DP 6 contained authority for school to expand payments for facilities and Special Education. *{Tape : 2; Side : A; Approx. Time Counter : 10:09}*

REP. JOHNSON read page E-12, **Board of Public Education Summary**.

REP. JOHNSON explained the subcommittee changed the authorization of the \$6.00 registration fee for teacher.

REP. JOHNSON read page E-16, **School For The Deaf and Blind** executive budget comparison. **REP. JOHNSON** stated the subcommittee directed the school to purchase a vehicle instead of lease it from the state.

REP. JOHNSON read page E-22, **Montana Arts Council** executive budget comparison. **REP. JOHNSON** felt it was important for the state to continue this program as it helps Montana communities.

REP. JOHNSON read page E-24, **Library Commission** executive budget comparison. **REP. JOHNSON** explained the Library Commission was responsible for several other services than running the library.

REP. JOHNSON read page E-30, **Historical Society** executive budget comparison. **REP. JOHNSON** explained the Historical Society publishes Montana Magazine and felt there may be amendments for staff at Virginia City.

REP. JOHNSON read page E-43, **Commissioner of Higher Education** executive budget comparison. **REP. JOHNSON** advised the subcommittee approved a higher budget than the Executive Budget. Building maintenance has not been funded in the past, and this

bill appropriated a lump sum for maintenance. **REP. JOHNSON** thought the **Student Assistance Program** had the highest budget ever. Pages E-50 and E-51 contain the new proposals.

{Tape : 2; Side : A; Approx. Time Counter : 10:32}

COMMENTS FROM DEPARTMENT DIRECTORS:

Kathy Fabiano, Office of Public Instruction (**OPI**), had two concerns with their budget: vacancy savings and special education. **Ms. Fabiano** stated the vacant positions were 4.4, not 14. If the numbers were not corrected they would be forced to terminate positions. **Ms. Fabiano** advised between **HB 2** and **SB 100** the Special Education budget was reduced by almost \$2,000,000.00 from the requested amount.

Pete Donovan, Board of Public Education, advised the committee he was available for questions.

John Kinna, School for the Deaf and Blind, felt the subcommittee did a good job on their budget.

Arni Fisnbaugh, Montana Arts Council, stated he was available for questions.

Sharon McCabe, Historical Society, advised they can not meet the vacancy savings requirement. **Ms. McCabe** requested money for a satellite store in Virginia City. **Ms. McCabe** felt the store would provide benefits for the state by generating revenue, and providing correct information to tourists.

Dick Crofts, Commissioner of Higher Education, passed out **EXHIBIT (fcs67a13)** and read pages one and two. **{Tape : 2; Side : B; Approx. Time Counter : 0}**

Karen Strege, Montana State Libraries, advised the committee she was available for questions.

Questions from Committee Members and Responses:

SEN. CHRISTIAENS asked how the lump sum distribution for maintenance was being administered. **REP. JOHNSON** advised over the last two sessions the university system had compiled and prioritized a list of building maintenance needs.

SEN. WATERMAN felt the funding for research and grants should be added back into the budget. The federal government had indicated the **EPSCoR** Program could be at risk without legislative intent to

match the funding. **Mr. Crofts** referred the committee of page 11 of Exhibit 13. Over the next biennium there is \$8,300,000.00 already allocated for the program. **Mr. Crofts** explained the federal agency wanted to see a stable source of funding, preferably a cash match.

SEN. LYNCH was concerned that university buildings were not being maintained, but new buildings were being approved. **REP. JOHNSON** advised the \$300,000,000.00 building fund was for all state buildings, and was being funded through grants and bonds. **REP. JOHNSON** felt the maintenance should also be bonded. *{Tape : 2; Side : B; Approx. Time Counter :10:54}*

There were no public comments.

EXECUTIVE ACTION ON AMENDMENTS TO SECTION E

Motion: **SEN. JERGESON** moved that **AMENDMENT HB000247.ATP EXHIBIT(fcs67a14)** BE ADOPTED.

Discussion:

REP. JOHNSON stated the subcommittee felt **OPI** could operate with the reduced FTE's.

SEN. TOEWS advised there was a discrepancy with the numbers. **OPI** could crossover responsibilities. The money was taken from the base was replaced with other money, and there would not be people terminated because of the required savings.

SEN. JERGESON stated no other agency lost people because of a new proposal.

Vote: Motion carried 13-5 with Keenan, Keating, Miller, Toews, and Taylor voting no.

Motion: **SEN. TOEWS** moved that **AMENDMENT HB000237.ASW EXHIBIT(fcs67a15)** BE ADOPTED.

Discussion:

REP. JOHNSON felt the merchants appreciated the store in Virginia City.

SEN MAHLUM opposed the amendment, and stated it was not a request for money, just authority. The clerks are beneficial to tourists and revenue is generated from the store.

Vote: Motion failed 5-13 with Miller, Toews, Nelson, Keenan, and Keating voting aye.

Motion/Vote: SEN. TOEWS moved that AMENDMENT HB000233.ASW EXHIBIT(fcs67a16) BE ADOPTED. Motion carried unanimously.

Motion: SEN. TOEWS moved that AMENDMENT HB000235.ASW EXHIBIT(fcs67a17) BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD advised there was another amendment that made this a line item issue to the General Fund, and a one time only appropriation. **SEN. TOEWS** amended the amendment to cover the other amendment. **SEN. JERGESON** resisted the change and wanted this amendment voted on as presented. **CHAIRMAN SWYSGOOD** advised they would vote on the amendments separately.

Vote: Motion carried unanimously.

Motion: SEN. TOEWS moved that AMENDMENT HB000253.APJ EXHIBIT(fcs67a18) BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD advised this would be a one-time only appropriation, and not be added to the base. **SEN. JERGESON** resisted the one-time only, and felt it was not needed.

Vote: Motion carried 10-8 with Christiaens, Beck, Franklin, Jergeson, Lynch, Nelson, Shea, and Waterman voting no.

Motion: SEN. JERGESON moved that AMENDMENT HB000239.ASW EXHIBIT(fcs67a19) BE ADOPTED.

Discussion:

REP. JOHNSON resisted the amendment.

Vote: Motion failed 7-11 with Christiaens, Franklin, Jergeson, Lynch, Shea, Nelson, and Waterman voting aye.

Motion/Vote: SEN. TOEWS moved that AMENDMENT HB000234.ASW EXHIBIT(fcs67a20) BE ADOPTED. Motion carried unanimously.

Motion: SEN. JERGESON moved that **AMENDMENT HB000240.ASW**
EXHIBIT(fcs67a21) BE ADOPTED.

Discussion:

REP. JOHNSON advised this was \$80,000.00 more in Federal funding and brought the budget up to the Governor's request.

SEN. TOEWS stated this was backfilling Federal money.

SEN. JERGESON did not feel this was backfilling.

Vote: Motion carried 13-5 with Waterman, Toews, Miller, Taylor, and Keenan voting no.

Motion: SEN. TOEWS moved that **AMENDMENT HB000229.ASW**
EXHIBIT(fcs67a22) BE ADOPTED.

Discussion:

REP. JOHNSON agreed with the amendment.

Vote: Motion carried 14-4 with Franklin, Lynch, Shea and Waterman voting no. {Tape : 2; Side : B; Approx. Time Counter :11:18}

Motion/Vote: SEN. LYNCH moved **SECTION E BE CLOSED**. Motion carried unanimously.

HEARING ON BOILERPLATE

Motion/Vote: SEN. LYNCH moved **BOILERPLATE BE OPENED**. Motion carried unanimously.

Motion: SEN. LYNCH moved that **AMENDMENT HB000251.ACS**
EXHIBIT(fcs67a23) BE ADOPTED.

Discussion:

CHAIRMAN SWYSGOOD advised this counters the amendment placed on the House floor.

Vote: Motion carried unanimously.

Motion: SEN. TAYLOR moved that **AMENDMENT HB000216.ajt**
EXHIBIT(fcs67a24) BE ADOPTED.

Discussion:

SEN. KEATING asked why the language needed to be removed. **SEN. TAYLOR** explained six years was to long, and the Legislative Interim Committee would be overseeing the process in the interim.

SEN. KEATING felt some of the computers would be good for more than six years, and felt the designation of "all" would not allow management discretion.

CHAIRMAN SWYSGOOD advised the four years was standard. Some computers would be replaced sooner, and some later than four years.*{Tape : 3; Side : A; Approx. Time Counter : 0}*

Vote: Motion carried 17-1 with Toews voting no.

Motion/Vote: SEN. BECK moved that **HB000252.APJ EXHIBIT(fcs67a25)** BE ADOPTED. Motion carried unanimously.

Motion/Vote: SEN. BECK moved **BOILERPLATE BE CLOSED**. Motion carried unanimously.

Motion/Vote: SEN. KEATING moved that **HB 2 BE CONCURRED IN AS AMENDED**. Motion carried 17-1 with Miller voting no.

ADJOURNMENT

Adjournment: 11:45 A.M.

SEN. CHUCK SWYSGOOD, Chairman

SHANNON GLEASON, Secretary

CS/SG

EXHIBIT (fcs67aad)